

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: Lou Leonardo et al.

Examiner: Vanel Frenel

Serial No.: 09/583,216

Group Art Unit: 3687

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Docket No.: 2043.157US1

Customer No.: 49845

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Title: METHOD AND SYSTEM FOR REPORTING FRAUD AND CLAIMING
INSURANCE RELATED TO NETWORK-BASED TRANSACTIONS

DECLARATION UNDER 37 C.F.R. § 1.132

Commissioner for Patents

P.O. Box 1450

Alexandria, Virginia 22313-1450:

This declaration is submitted under 37 C.F.R. § 1.132 prior to any final rejection of U.S. Patent Application Serial Number 09/583,216, to establish invention of the claimed subject matter prior to February 15, 2000, (the effective date of United States Patent Application Publication No. 2004/0059596, to Vaidyanathan et al.).

I, Gregory M. Stark, declare and say as follows:

1. I am in the employ of the law firm of Schwegman, Lundberg, & Woessner, P.A., 1600 TCF Tower, 121 South Eighth Street, Minneapolis, Minnesota 55402, Applicants' attorney of record in the above-identified patent application.

2. The following evidence was obtained through research on publicly available sources, discussions with the inventors, and examination of documentation received during prosecution of the above-identified patent application.

3. The subject matter claimed in the above-identified patent application was invented by the named inventors while employed by Assignee, eBay Inc.

4. The subject matter claimed in the above-identified patent application was reduced to practice and put into commercial use prior to February 15, 2000, in this country, as is evidenced by Exhibits A through H. The invention was embodied in a Fraud Reporting System commercially available via the eBay web site (www.ebay.com).

5. Exhibit A is a true and accurate copy of an Internet document (e.g., a web page) that was publicly available as part of the eBay website prior to February 15, 2000. Exhibit A shows a web page from eBay's SafeHarbor insurance offering allowing a user to report potential fraud and submit an insurance claim. This system was also referred to as the Fraud Report System. Page 2 of Exhibit A shows two buttons, one for filing a new complaint and one for viewing a complaint in progress. As evidenced by Exhibit A, the Fraud Reporting System facilitated (1) a first party submitting a complaint, (2) resolution of the complaint between the first party and a second party, and (3) filing of an insurance claim if the complaint cannot be resolved.

6. Exhibit B is a true and accurate copy of an Internet document (e.g., a web page) that was publicly available as part of the eBay website prior to February 15, 2000. Exhibit B shows an Insurance FAQ page with answers to frequently asked questions related to the insurance claim process provided by eBay prior to February 15, 2000. On page 2, under the heading, *How do I file a claim?*, Exhibit B makes reference to the Fraud Reporting System, which embodies the claimed invention. As evidenced by Exhibit B, the Fraud Reporting System facilitated (1) allowing two parties to attempt to resolve a complaint, (2) allowing a first party to specify if the complaint is resolved, and (3) allowing the filing of an insurance claim if a criterion has been met.

7. Exhibit C is a true and accurate copy of an Internet document (e.g., a web page) that was publicly available as part of the eBay website prior to February 15, 2000. Exhibit C shows an Insurance Process help page that describes the process of using the Fraud Reporting System to resolve complaints and file an insurance claim. As evidenced by Exhibit C, the Fraud Reporting System facilitated (1) allowing two parties to attempt to resolve a complaint, (2) allowing a first party to specify if the complaint is resolved, and (3) allowing the filing of an insurance claim if a criterion has been met.

8. Exhibit D is a true and accurate copy of a date-redacted copy of an email thread initiated by a user of the Fraud Reporting System prior to February 15, 2000. The email thread involves a discussion related to a claim submitted by the user of the Fraud Reporting System. As evidenced by the user's email (i.e. the email from KSFYRCOP@aol.com on page 2 of Exhibit D), the Fraud Reporting System embodiment of the invention was publicly available prior to February 15, 2000.

9. Exhibit E is a true and accurate copy of a figure from the patent application, Ser. No. 09/583,216, which is the focus of the declaration. While not being an exact duplication of a screen from the actual reduction to practice, the content captured appears to be a true and accurate representation. The dates and comments provided to the Fraud Reporting System illustrated in Figure 26, are believed to accurately reproduce actual data extracted from a publicly available reduction to practice of the invention. As evidenced by Exhibit E, the Fraud Reporting system facilitated "allowing the first party and the second party to repeatedly view and enter comments about the complaint relating to the network-based transaction on a messaging board."

10. Exhibit F is a true and accurate copy of software code from the reduction to practice of eBay's Fraud Reporting System that was publicly available prior to February 15, 2000. Exhibit F shows some of the software routines related to "allowing the first party and the second party to repeatedly view and enter comments about the complaint relating to the network-based transaction on a messaging board."

11. Exhibit G is a true and accurate copy of the first and seventh pages of U.S. Patent 7,373,317 assigned to eBay, Inc. San Jose CA. U.S. Patent 7,373,317 has a filing date of Oct. 27, 1999. Exhibit G is included here to show reduction to practice prior to February 15, 2000 of a "network-based facility" and/or "network-based marketplace" as recited by the claims pending in this application.

12. Exhibit H is a claim chart specifically indicating how the other exhibits apply to the elements of each independent claim pending in the patent application Ser. No. 09/583,216.

13. The evidence provided regarding the actual reduction to practice suggests that eBay's Fraud Reporting System worked for its intended purpose.

14. Based on the above statements and the documents attached (Exhibits A through G), it can be seen that the invention in this application was actually reduced to practice prior to February 15, 2000.

15. I further declare that all statements made herein are of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements are made with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of this application or any patent issuing thereon.

17 September 2009

Dated

/Gregory M. Stark/

Gregory M. Stark
Reg. No. 62,731

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 17th day of September, 2009.

Chris Bartl
Name

/C. Bartl/
Signature

EXHIBIT A



[Home](#) [Listings](#) [Buyers](#) [Sellers](#) [Search](#) [Help](#) [News/Chat](#) [Site Map](#)

I have mine. Do you have your [User ID](#)?

Fraud Reporting and Insurance Claim Form

We want to make sure that your eBay trading experiences are fun, easy, and most importantly, safe. If you feel that another eBay member has defrauded you, please use this Fraud Reporting and Insurance Claim Form to report the alleged fraudulent activity and to file an insurance claim for your loss. For examples on when it may be appropriate to use this Form, click [here](#).

Want to file a complaint and insurance claim?

If you feel that another eBay member has defrauded you, please go through the following steps:

1. Do everything possible to resolve the problem with the other eBay member before you use this form. To receive the other user's contact information use our [registered user information request form](#).
2. If you are unable to resolve the problem, you can use the Fraud Reporting and Insurance Claim Form to file a complaint and/or file a claim with Lloyds of London. While we can't guarantee that things will be resolved to your satisfaction, we will do our best to make sure that it is resolved.

If you do decide to file an insurance claim, please keep the following in mind:

- Insurance is available to bidders only.
- Insurance applies on items you purchased via an eBay auction.
- If your claim is approved, there is a \$25 deductible with a maximum coverage of \$200 per item.
- You must file your complaint using the Fraud Reporting and Insurance Claim Form within 30 days after the end of auction.
- All claims processed through Lloyds of London require 30 days from the time the claim is filed.
- Another option is to file formal charges with law enforcement agencies that have jurisdiction over this type of claim. Our Fraud Review Team evaluates each Fraud Reporting and Insurance Claim Form and provides you with various options via email within 48 hours of receipt of the form.

Please have the item number handy, you will need it to complete the Fraud Reporting and Insurance Claim Form.

[File a new complaint](#)

[View a complaint in progress](#)

Suspect an eBay member is engaged in questionable activity on eBay?

We appreciate and encourage your assistance in helping us to continue to make eBay a safe place to trade. If you suspect an eBay member is engaged in questionable activity on eBay, please report such activity using the following links and we will investigate the matter immediately:

[Community Watch Form](#) - to report illegal and infringing items
[Final Value Fee Credit Form](#) - to request credit due to a non-paying bidder
[Safe Harbor](#) - to report possible misuse on eBay (for example, bidding or feedback offenses)

[Announcements](#) | [Register](#) | [eBay Store](#) | [SafeHarbor](#) | [Feedback Forum](#) | [About eBay](#)

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EXHIBIT B

**SafeHarbor**

- [Overview](#)
- [Feedback](#)
- [Forum](#)
- [Customer Support](#)
- [Understanding eBay Auctions](#)
- [Escrow](#)
- [Verified eBay User](#)
- [Insurance Overview](#)
- FAQ**
- [Guidelines](#)
- [Process](#)
- [Fraud](#)
- [Reporting](#)
- [Process](#)
- [Authentication & Grading](#)

**Insurance
FAQ****Frequently Asked Questions****How do I get insurance as an eBay user?**

Subject to certain exceptions, any eBay user in good standing will be covered. Exceptions include purchases of items that violate our user agreement (such as illegal or infringing items) or items that are not approved in our community guidelines. Users who have applied for their maximum number of claims and users who are buying from sellers with a negative feedback rating are also excluded.

What is a user in good standing in the eBay community?

A user in good standing is any user who has a net feedback rating of zero or above and whose identification information was accurately supplied.

How much does insurance cost?

For the first six months of the program, eBay will provide the service for free.

Is every auction/item covered by insurance?

All auctions beginning on or after [REDACTED] will be covered.

Final bid amount must exceed \$25 to qualify for the program.

Only auctions in which both seller and buyer have a non-negative feedback will qualify.

The item must be in accordance with eBay's User Agreement.

What is the maximum amount of coverage that I can receive per auction?

\$200 is the maximum amount of insurance per auction (less a \$25 deductible). If a claim is approved, a claimant will receive the lesser of \$200 or the final bid amount (less a \$25 deductible).

What do reimbursement fees cover?

Reimbursement fees will only cover final bid price and therefore, ancillary fees such as shipping and escrow fees are not covered.

What do you recommend if my auction exceeds \$200?

For transactions in excess of \$200 we recommend using our escrow services.

When is an item covered?

An item is covered when the high bidder of an auction sends money to the seller, in good faith, and does not receive the item or the item received is **significantly different** than the item described in the auction.

Insurance will not apply if the shipping company has lost the package or if the item has been damaged in transit. If your package was lost or damaged in transit, please refer to your shipping carrier for their reimbursement policy.

How do I file a claim?

All requests must be registered within 30 days of the end of the auction.

Register your complaint in the Fraud Reporting System, which is accessible in the Insurance area of Safe Harbor.

From the date of when you register your complaint, you have 30 days to resolve the complaint with the other user.

If, at the end of 30 days you have not resolved your complaint with the other user, you may file your complaint in the Fraud Reporting System. If you meet the guidelines for insurance, the Fraud Reporting System will give you an online insurance form.

Fill out the insurance form and mail the form to the Lloyds claim administrators. They will contact you within 45 days after filing to let you know the results of the investigation.

When will I receive reimbursement after filing my claim?

No later than 45 days after a claim is filed.

How many claims can I file?

The total amount of claims per user will be limited to one per month during the first six months of this program.

Is there a deductible associated with the program?

Yes, there is a \$25 deductible per claim.

How does the deductible work?

For example:

- If a claim for \$35 is filed and approved, the claimant will receive \$10.
- If a claim for \$200 is filed and approved, the claimant will receive \$175.
- If a claim for \$500 is filed and approved, the claimant will receive \$175.

What happens to a seller if they have an insurance judgement filed and paid against one of their auctions?

Consistent with our current policies, eBay may suspend any user who has a fraudulent claim reported and confirmed against them.

How are insurance and feedback related?

Feedback is the cornerstone of the eBay community by allowing buyers and sellers to trade smart. Insurance is provided to protect buyers if they are proven to be victims of fraud.

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Use of this Web site constitutes acceptance of the eBay [User Agreement](#)

EXHIBIT C

SafeHarbor

- [Overview](#)
- [Feedback](#)
- [Forum](#)
- [Customer Support](#)
- [Understanding eBay Auctions](#)
- [Escrow](#)
- [Verified eBay User](#)
- [Insurance Overview](#)
- [FAQ](#)
- [Guidelines](#)
- [Process](#)
- [Fraud](#)
- [Reporting](#)
- [System](#)
- [Authentication & Grading](#)

Insurance Process

If you feel that you have been defrauded and meet the Insurance [guidelines](#), you may file a claim for insurance. eBay is backed by Lloyds and will reimburse you for up to \$200, with a \$25 deductible, if Lloyds deems that you have been a victim of fraud.

To file a claim for insurance, you must do the following:

1. **Register your complaint.**
 - You must register a complaint in the Fraud Reporting System within 30 days of the auction's close.
 - Once you do so, the Fraud Reporting System will contact the seller informing them that you have filed a complaint.
2. **Try to resolve the complaint with the other user.**
 - You and the other user have 30 days to resolve the transaction via the Fraud Reporting System.
3. **Update the complaint status.**
 - At the end of 30 days, return to the [Fraud Reporting System](#) to file or delete your complaint.
 - If you file your complaint and are eligible for insurance, you will receive information on obtaining insurance.
 - If you delete your complaint, your complaint against the other user will be removed.
4. **Send your insurance claims in to Lloyds claim administrators.**
 - After you have filed a claim, Lloyds claim administrators will contact you within 45 days after filing to let you know the results of the investigation.

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EXHIBIT D

From: Tola Dalton [mailto:tdalton@eBay.COM]
Sent: _____
To: Bechtold, Sol; 'Dalton, Tola'
Cc: Leonardo, Lou; Malacari, Angela; Kunihiro, Tim
Subject: RE: Insurance Bug

Sol,

Yes, this sounds like the same problem as before where users are getting incorrect messages because of bad data still in the database from the old CRS. It should phase out on its own as the database gets populated with good data, but we'll have to deal with problems like this in the mean time.

Tola

-----Original Message-----

From: Bechtold, Sol [mailto:sbechtol@eBay.COM]
Sent: _____
To: Dalton, Tola
Cc: Leonardo, Lou; Malacari, Angela; Kunihiro, Tim
Subject: FW: Insurance Bug

Tola,

Does this sound like something you ran across already? See message thread below...

Thanks,

Sol

-----Original Message-----

From: Malacari, Angela
Sent: _____
To: Bechtold, Sol
Subject: FW: Insurance Bug

Hi Sol,

Do you know if this is the case? Thanks.

Angela

-----Original Message-----

From: Kunihiro, Tim
Sent: _____
To: Malacari, Angela; 'techcsrs@ebay.com'
Cc: Bechtold, Sol
Subject: RE: Insurance Bug

I believe Tola addressed this in a previous email. Anyone who originally went through the system prior to the fix may receive the erroneous message.

I think he said it was because it couldn't find the item number.

Please advise if this is a different situation.

tim

-----Original Message-----

From: Malacari, Angela
Sent: _____
To: 'techcsrs@ebay.com'

Cc: Bechtold, Sol; Kunihiro, Tim
Subject: FW: Insurance Bug

Hi Folks,

It seems like we have come across yet another person who is receiving this error code since we have adjusted the period to 60 days. I passed one on to Anthony Ly earlier this morning but, can we also look into this one?

Thanks.

Angela

-----Original Message-----

From: Geoff Wilde [mailto:gwilde@eBay.COM]
Sent:
To: Angela Malacari (E-mail)
Subject: Insurance Bug

Hi Angela,

I'm not sure if you still want these in your new capacity here, but I haven't heard who would take over this part yet. This is one of those bugs that supposedly was fixed.

Geoff

From: KSFYRCOP@aol.com <mailto:KSFYRCOP@aol.com> <mailto:KSFYRCOP@aol.com>
<mailto:KSFYRCOP@aol.com>
To: Safe Harbor <SafeHarbor@eBay.com <mailto:SafeHarbor@eBay.com>
>
Subject: RE: Insurance

On _____ I filed a complaint through the Fraud Reporting and Insurance Claim Form (# 705) concerning a money order that was sent for an item, which I never received. The auction closed on _____.

When

I went to the Fraud Reporting and Insurance Claim form today, _____ (30 days after the filing of the complaint) it stated that I was not eligible for insurance since the claim was filed 60 days after the close of the auction. Apparently it seems that Ebay is not living up to its promise of providing insurance for winning bidders. The price paid for the watch was \$ 147.50.

I would appreciate it if you would look into this matter and see that I am provided with the safety assurances that Ebay claims they provide.

Thank you, V. L. Rein

EXHIBIT E

2600

Here is general information about the complaint:

Tracking Number: 3691
Complainant: tolaslug (tdalton@ebay.com)
Against: Tola A. Dalton
TOLA@CATS.UCSC.EDU
Web Site: ebay.com
Date Complaint Filed: 12/07/99 17:16:11 PST
Nature of Complaint: I received a check from the buyer and sent the merchandise, however, the buyer's check was returned for insufficient funds (bounced)

The following are ALL of the comments provided to the Fraud Reporting System regarding this complaint:

2602

12/07/1999 05:16 PM - FROM: tola

testing

12/15/1999 02:06 PM - FROM: tola

hmm, what will this do?

12/15/1999 02:09 PM - FROM: tolaslug

I think the programmers of CRS must have been monkeys

12/15/1999 02:18 PM - FROM: tolaslug

aarrgh!

12/15/1999 03:05 PM - FROM: tolaslug

aarrgh!

12/15/1999 04:35 PM - FROM: tola

tola99 (tdalton@ebay.com) posting comment

12/16/1999 07:52 PM - FROM: tola

tola99 (tdalton@ebay.com) posting comment

To place another comment or respond to a comment from the other user, please enter information in the space below and press "Continue".



2604

Continue

FIG. 26

Snippets of Code from eBay's Fraud Reporting System:

```
//Inform user about what is going to happen now

// Tola - [REDACTED] - modified text and links
*mpStream << Table_Header
    << "Thank you for using the Fraud Reporting Form. Attempts "
    << "will now be made to contact the other user via email. "
    << "You are also advised to contact the other user by whatever means "
    << "available. Specifically, if you have not yet tried contacting the "
    << "other user by phone, please do so. We are happy to provide you "
    << "with all the necessary "
    << "<A HREF=\""
// Tola - [REDACTED] - Reinstated GetCGIPath() call
<< mpMarketPlace->GetCGIPath(PageMemberSearchShow)
<< "eBayISAPI.dll?MemberSearchShow#ContactInfo\">information to
contact the other user</A>.<P>\n"
    << "Your complaint has been given the "
    << "tracking number below. You will need this number when you use
the "
    << "Fraud Reporting Form in subsequent visits.\n"
    << "<P><CENTER>\n"
    << "<FONT SIZE=\"+2\"><B>"
    << tracking_num
    << "<P></FONT>\n</B></CENTER>\n<P>"
    << "You will be notified within 30 days "
    << "regarding the status of your complaint. Whenever you would "
    << "like to check the status of your complaint or let us know that the "
    << "problem has been resolved, please go to the Fraud Reporting Form "
    << "at:<P><CENTER>"
    << "<A HREF=\""
    << mpMarketPlace->GetCGIPath(PageCRSLogin)
    << "eBayISAPI.dll?CRSSLoginPage\""
    << mpMarketPlace->GetCGIPath(PageCRSLogin)
    << "eBayISAPI.dll?CRSSLoginPage"
    << "</A><P>\n"
    << "</CENTER>"
    << "<p><b>If you have <u>not</u> resolved your complaint within 30
days from \n"
    << "today, you can file an insurance claim by mailing:</b> \n"
    << "<blockquote><b>1) a hard copy of the auction item page AND</b>
\n"
    << "<br><b>2) a completed Claim Form (Claim Form and mailing
address are available at <a href=\"http://pages.ebay.com/help/community/frs-
claimform.html\">http://pages.ebay.com/help/community/frs-
claimform.html</a></b></blockquote> \n"
```



```
true,  
// Test Crypted?  
false,  
//  
GetCurrentPage());  
  
// Admin Query  
  
if (!mpUser)  
{  
    *mpStream << "<br>"  
    << mpMarketPlace->GetFooter()  
    << flush;  
    CleanUp();  
    return;  
}  
  
//Make sure that this is an active eBay user  
int user_state = mpUser-> GetUserState();  
if (user_state != 1 && user_state != -1)  
{  
    *mpStream << "\nSorry, we cannot process your request because "  
    << "your registration is blocked. Users whose registered  
status is blocked must "  
    << "resolve any outstanding complaints on file before  
proceeding. Please resolve "  
    << "these issues and try again. If you have any questions,  
please email "  
    << "support@ebay.com \n";  
    *mpStream << mpMarketPlace->GetFooter()  
    << flush;  
    CleanUp();  
    return;  
}  
  
//////////////////////////////  
//Display all the complaints filed by the user  
list <time_t> create_date;  
list <int> resolved;  
list <unsigned long> tracking_number;  
  
list <time_t>::iterator iDate;  
list <int>::iterator iResolved;  
list <unsigned long>::iterator iTrackingNum;  
  
time_t now;  
time(&now);
```

```
if (!gApp->GetDatabase()->CRSGetComplaints(mpUser->GetId(),
                                              create_date,
                                              resolved, tracking_number))
{
    //User has not filed any complaint
    *mpStream << "There are no complaints filed by you."
    << mpMarketPlace->GetFooter()
    << flush;

    CleanUp();
    return;
}

//table to display the complaints
*mpStream << Table_Header
    << "Here is a list of complaints you have filed with eBay. Please select
the "
    << "complaint you are inquiring about at this time:<P>"
    << "<CENTER><TABLE>\n";

//get all complaints filed by user
for (iDate = create_date.begin(), iResolved = resolved.begin(), iTrackingNum =
tracking_number.begin();
     iDate != create_date.end();
     iDate++, iResolved++, iTrackingNum++)
{
    if((*iDate) + (60*DAYS) <= now ||
       *iResolved == 2)
        //Complaint is not older than 60 days and other_party has responded
        *mpStream << "<TR><TD>\n<FORM METHOD=POST ACTION=\""
        << mpMarketPlace-
>GetCGIPath(PageCRSWhatHappened)
        << "eBayISAPI.dll\">\n"

        << "<INPUT Type=hidden
NAME=\"MfcISAPICommand\" VALUE=\"CRSComplaintOptions\">\n"
        << "<INPUT TYPE=HIDDEN NAME=resolved
VALUE=2>\n"
        << "<INPUT TYPE=HIDDEN NAME=password
VALUE=\""
        << pPassword
        << "\">>\n"
        << "<INPUT TYPE=HIDDEN NAME=userid
VALUE=\""
        << pUserId
        << "\">>\n"
```

```
<< "<INPUT TYPE=HIDDEN NAME=trackNum
VALUE="""
    << *iTrackingNum
    << "\">\n"
    << "<INPUT TYPE=SUBMIT VALUE="""
    << *iTrackingNum
    << "\">&nbsp;\n"
    << "</FORM>\n</TD>\n"
    << "<TD VALIGN=TOP><B><FONT
COLOR=RED>CLOSED</TD></TR>\n";
}
else if (*iResolved == 1)
{
    //Complaint is resolved
    *mpStream << "<TR><TD>\n<FORM METHOD=POST ACTION="""
    << mpMarketPlace-
>GetCGIPath(PageCRSWhatHappened)
    << "eBayISAPI.dll\">\n"

    << "<INPUT Type=hidden
NAME=\"MfcISAPICommand\" VALUE=\"CRSComplaintOptions\">\n"
    << "<INPUT TYPE=HIDDEN NAME=resolved
VALUE=1>\n"
    << "<INPUT TYPE=HIDDEN NAME=password
VALUE="""
    << pPassword
    << "\">\n"
    << "<INPUT TYPE=HIDDEN NAME=userid
VALUE="""
    << pUserId
    << "\">\n"
    << "<INPUT TYPE=HIDDEN NAME=trackNum
VALUE="""
    << *iTrackingNum
    << "\">\n"
    << "<INPUT TYPE=SUBMIT VALUE="""
    << *iTrackingNum
    << "\">&nbsp;\n"
    << "</FORM>\n</TD>\n"
    << "<TD
VALIGN=TOP><B>RESOLVED</TD></TR>\n";
}
else if (((*iDate) + 30 * (DAYS)) <= now
        || *iResolved == 0)
{
    //Complaint is not resolved
    *mpStream << "<TR><TD>\n<FORM METHOD=POST ACTION="""

```

```

        << mpMarketPlace-
>GetCGIPath(PageCRSWhatHappened)
        << "eBayISAPI.dll\">\n"

        << "<INPUT Type=hidden
NAME=\"MfcISAPICommand\" VALUE=\"CRSComplaintOptions\">\n"
        << "<INPUT TYPE=HIDDEN NAME=resolved
VALUE=0>\n"
        << "<INPUT TYPE=HIDDEN NAME=userid
VALUE="""
        << pUserId
        << "\">\n"
        << "<INPUT TYPE=HIDDEN NAME=password
VALUE="""
        << pPassword
        << "\">\n"
        << "<INPUT TYPE=HIDDEN NAME=trackNum
VALUE="""
        << *iTrackingNum
        << "\">\n"
        << "<INPUT TYPE=SUBMIT VALUE="""
        << *iTrackingNum
        << "\">&nbsp;\n"
        << "</FORM>\n</TD>\n"
        << "<TD VALIGN=TOP>&nbsp;</TD></TR>\n";
    }

}

*mpStream << "</TABLE></td></tr></table>\n";
*mpStream << mpMarketPlace->GetFooter()
        << flush;
CleanUp();
return;
}

///////////////////////////////
//Displays options for user who is trying to respond to the
void elseBayApp::CRSComplaintOptions(int resolved,
        tracking_number)
{
        SetUp();
        //Header and title
        char* pUserId,
        char* pPassword,
        unsigned long

```

```
*mpStream << "<HTML><HEAD><TITLE>"  
    << mpMarketPlace->GetName()  
    << " Fraud Reporting and Insurance Claim Form"  
    << "</TITLE></HEAD>"  
    << mpMarketPlace->GetHeader();  
  
mpUser =  
mpUsers->GetAndCheckUserAndPassword(pUserId,  
                                      pPassword,  
                                      mpStream,  
                                      true,  
                                      // Header sent already  
                                      NULL,  
                                      // NO action  
                                      false,  
                                      // Ghosts ok?  
                                      false,  
                                      // Feedback needed?  
                                      false,  
                                      // Account needed?  
                                      true,  
                                      // Test Crypted?  
                                      false,  
                                      //  
                                      GetCurrentPage());  
// Admin Query  
  
if (!mpUser)  
{  
    *mpStream << "<br>"  
              << mpMarketPlace->GetFooter()  
              << flush;  
    CleanUp();  
    return;  
}  
  
*mpStream << Table_Header;  
  
if (resolved == 0)  
{  
    *mpStream << "Please choose from the options below to either <BR>\n"  
              << "1. view comments placed by the other user and/or  
place additional "  
              << "comments <BR>&nbsp;&nbsp;&nbsp;on file for the  
other user to see, <BR>or <BR>2. report on the "
```

```
<< "status of a complaint.<P>\n";  
  
*mpStream << "<FORM METHOD=POST ACTION=\""  
    << mpMarketPlace->GetCGIPath(PageCRSWhatHappened)  
    << "eBayISAPI.dll\">\n"  
    << "<INPUT Type=hidden NAME=\"MfcISAPICommand\"  
VALUE=\"CRSViewRespond\">\n"  
    << "<INPUT TYPE=HIDDEN NAME=userid VALUE=\""  
    << pUserId  
    << "\">>\n"  
    << "<INPUT TYPE=HIDDEN NAME=password VALUE=\""  
    << pPassword  
    << "\">>\n"  
    << "<INPUT TYPE=HIDDEN NAME=trackNum  
VALUE=\""  
    << tracking_number  
    << "\">>\n"  
    << "<INPUT TYPE=SUBMIT VALUE=\"View or respond  
to complaint\">"  
    << "</FORM><P>";  
  
*mpStream << "<FORM METHOD=POST ACTION=\""  
    << mpMarketPlace->GetCGIPath(PageCRSWhatHappened)  
    << "eBayISAPI.dll\">\n"  
    << "<INPUT Type=hidden NAME=\"MfcISAPICommand\"  
VALUE=\"CRSReportStatus\">\n"  
    << "<INPUT TYPE=HIDDEN NAME=userid VALUE=\""  
    << pUserId  
    << "\">>\n"  
    << "<INPUT TYPE=HIDDEN NAME=password VALUE=\""  
    << pPassword  
    << "\">>\n"  
    << "<INPUT TYPE=HIDDEN NAME=trackNum  
VALUE=\""  
    << tracking_number  
    << "\">>\n"  
    << "<INPUT TYPE=SUBMIT VALUE=\"Report on status  
of complaint\">"  
    << "</FORM><P>";  
}  
else  
{  
    *mpStream << "This case is closed and you will not be able to post any more  
\n"  
    << "comments about it. If you would like to view the  
history of this \n"
```

```
<< "complaint, please click on the button below.<P>\n";  
  
*mpStream  << "<FORM METHOD=POST ACTION=\""  
    << mpMarketPlace->GetCGIPath(PageCRSWhatHappened)  
    << "eBayISAPI.dll\">\n"  
    << "<INPUT Type=hidden NAME=\"MfcISAPICommand\"  
VALUE=\"CRSViewRespond\">\n"  
        << "<INPUT TYPE=HIDDEN NAME=userid VALUE=\""  
    << pUserId  
    << "\">>\n"  
    << "<INPUT TYPE=HIDDEN NAME=password VALUE=\""  
    << pPassword  
    << "\">>\n"  
        << "<INPUT TYPE=HIDDEN NAME=trackNum  
VALUE=\""  
information\>"  
        << tracking_number  
        << "\">>\n"  
        << "<INPUT TYPE=SUBMIT VALUE=\"View complaint  
        << "</FORM><P>";  
  
    }  
  
*mpStream  << "</TD></TR></TABLE></B></FONT>";  
  
*mpStream  <<    "<br>"  
    <<    mpMarketPlace->GetFooter()  
    <<    flush;  
CleanUp();  
return;  
}
```

EXHIBIT G



US007373317B1

(12) **United States Patent**
Kopelman et al.

(10) **Patent No.:** **US 7,373,317 B1**
(b5) **Date of Patent:** **May 13, 2008**

(54) **METHOD AND APPARATUS FOR FACILITATING SALES OF GOODS BY INDEPENDENT PARTIES**

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G06Q 30/00 (2006.01)

(52) **U.S. Cl.** **705/27**

(58) **Field of Classification Search** **705/26, 705/27, 37**

See application file for complete search history.

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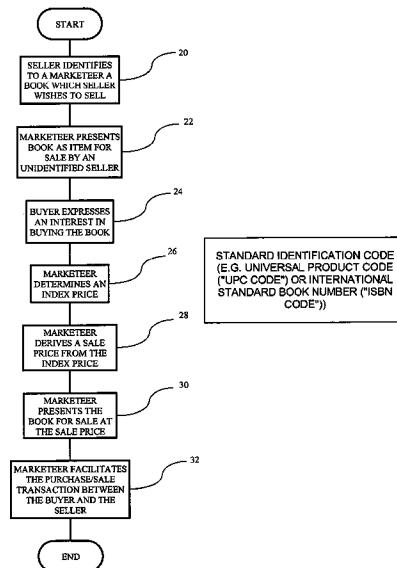
Primary Examiner—Gerald J. O'Connor

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(57) **ABSTRACT**

A method for facilitating sales of goods of independent sellers. The method involves receiving a standard identification code, such as a UPC or ISBN code, of readily identifiable goods. The standard identification code is transmitted by a seller to a third-party marketeer who adds the good to its virtual inventory of goods for sale. The marketeer then presents the independent sellers' goods for sale to buyers shopping in the marketeer's marketplace. The marketeer need not take actual possession of the goods, yet the marketeer may properly present the goods for sale because the characteristics of the good identified by the standard identification code are known. The marketeer may set a price for the goods, e.g. as a function of a competing vendor's price for a comparable good having the same standard identification code.

31 Claims, 4 Drawing Sheets



**METHOD AND APPARATUS FOR
FACILITATING SALES OF GOODS BY
INDEPENDENT PARTIES**

FIELD OF THE INVENTION

This invention relates generally to the field of pricing goods for sale and particularly to a method and apparatus for pricing and selling goods in electronic commerce applications using communications networks.

BACKGROUND OF THE INVENTION

The industrial age has given rise to a global economy of factories engaged in mass production of various goods. An enormous amount of commerce is transacted in the buying and selling of such goods. While some such goods lose their value with use, e.g., food products, many such goods retain a substantial portion of their value even after use or ownership by another. Such goods are referred to herein as "durable". A considerable amount of commerce is transacted in the buying and selling of durable goods, particularly used durable goods.

Almost all durable goods are readily identifiable by a standard unique identification code ("ID code"), particularly those that are mass produced. In the case of computer software, music cassettes or compact discs, videocassettes and digital video discs, the ID code may be a human readable Universal Product Code ("UPC"), a thirteen digit ID code that readily identifies the good. In the case of books, magazines or other publications, the ID code may be a ten-digit International Standard Book Number ("ISBN"). Other items are more readily identified by a manufacturer or brand name and a model number, as for baseball cards and consumer electronics, e.g., a Sony® KV-3620 television. Some goods may be identified by more than one type of ID code.

Many durable and readily identifiable goods are fungible items that derive their value substantially from their common characteristics. For example, a single signed copy of Michael Jackson's album titled "Thriller" and recorded on a compact disc ("CD") derives much of its value because it is signed by the performance artist. Such a CD is unique and therefore is not a fungible good. In contrast, an unsigned copy of Michael Jackson's "Thriller" CD derives substantially all of its value because of the songs recorded thereon. Therefore, all such CD's have substantially the same value to consumers. Such CD's are therefore fungible.

Auctions provide one type of marketplace for selling goods. Used goods sold at auction are sold at prices set by interested buyers. An auctioneer facilitates sale transactions without the need to maintain goods in inventory. Auctions are particularly good for sellers to insure a highest possible sale price, especially for unique, non-fungible items. However, determining and ensuring a fair price is difficult for buyers. Buyers must have a high degree of knowledge to determine whether a price for a certain good is fair.

Retail selling also provides a marketplace for sale of goods. Used goods sold at retail are sold at prices set by a seller. Retail selling is advantageous to the seller because it allows the seller to control the price of the good. However, it requires the seller to maintain a large inventory of goods, which is expensive and disadvantageous. Competition, particularly for fungible goods, drives prices downward which is advantageous to the buyer. The seller must have a high degree of knowledge to ensure that his price is competitive. In addition, a price for a good may be fair to the buyer when

set by the seller, but may no longer be fair if market conditions change after the price is set and before the buyer purchases the good.

5 Electronic commerce, or Internet-based sales are common and have problems similar to retail. Numerous online auctions may be found. An example of such an online auction is held by eBay Inc. of San Jose, Calif., at www.ebay.com. Such auctions are better suited to unique goods but are also used for fungible goods. However, "bidding wars" between buyers can lead to high prices for such goods, whether new or used.

10 Retail type sales are also conducted at numerous online websites, such as www.amazon.com. Online retail selling is also disadvantageous because it requires the seller to maintain a substantial inventory of goods. A reverse-auction system, where a seller may accept a price set by a buyer is provided on the worldwide web at www.priceline.com by priceline.com Inc. of Stamford, Conn. U.S. Pat. No. 5,797, 20 127 to Walker et al. discloses a reverse auction method, apparatus and program for pricing, selling and exercising options to purchase airline tickets.

15 For electronic commerce applications, software-implemented shopping agents are well known. Using a shopping agent, a buyer can identify vendors and prices for a good. One type of shopping agent queries multiple vendor's websites to determine a best price or list of prices. For example Cendant Corp. of New York, N.Y. is a retail seller of new books which provides access to such a shopping agent on the worldwide web at www.books.com. Books.com uses a pricing agent ("Price Compare") to price items it sells and holds in its inventory. It uses the shopping agent to query several competitors and, if its price for a new book is not less than its competitors' prices, the pricing agent sets the price for its new book at less than the lowest competitor's price for the same new book. However, the seller still controls the price since it determines the method used by its pricing agent to set the price. In addition, the seller is required to maintain a substantial inventory of books.

25 30 35 Until now, there has been no acceptable way to facilitate sales of goods which ensures fair pricing while eliminating the need for inventory and minimizing pricing burdens on the buyer and the seller. In addition there is no acceptable way to exploit the fungible nature of durable goods.

40 Accordingly, it is an object of the present invention to provide a method for facilitating pricing and sales of goods.

45 It is another object of the present invention to provide a method which does not require maintenance of an inventory of goods.

50 It is yet another object of the present invention to provide a method for pricing goods for sale by independent sellers.

55 It is a further object of the present invention to ensure lowest pricing of goods which exploits the fungible nature of goods.

60 It is yet a further object of the present invention to exploit the fungible nature of used durable goods to price goods.

65 It is yet a further object of the present invention to derive a price for an independent seller's good as a function of a third party's price for a similar good.

It is yet a further object of the present invention to provide an apparatus for facilitating sales and pricing of goods.

65 It is yet a further object of the present invention to provide a computer-implemented method for facilitating sales and pricing of goods.

Claim Chart illustrating Reduction to Practice		
Claim #	Elements	Evidence showing Reduction to Practice
21	<p>A computer-implemented method for a network-based facility, the method comprising:</p> <p>receiving a complaint from a first party, the complaint relating to a network-based transaction between a first party and a second party;</p> <p>communicating information about the complaint to the second party;</p> <p>allowing the first party and the second party to repeatedly view and enter comments about the complaint relating to the network-based transaction on a messaging board;</p> <p>allowing the first party to specify if the complaint is resolved; and</p> <p>allowing the first party to file an insurance claim concerning the complaint relating to the network-based transaction only if the complaint relating to the network-based transaction is not resolved and after a first criteria have been met.</p>	<p>Exhibit G - Discussing www.ebay.com in the background section.</p> <p>Exhibit A - Fraud Reporting and Insurance Claim Form is submitted and sent to the second party.</p> <p>Exhibit D - E-mail chain from actual customer who had trouble with the Fraud Reporting System.</p> <p>Exhibit A - Fraud Reporting and Insurance Claim Form is submitted and sent to the second party.</p> <p>Exhibit B - FAQ regarding how to file a claim - How do I file a claim?</p> <p>Exhibit B - FAQ regarding how to file a claim - "30 days to resolve complaint with the other user."</p> <p>Exhibit C - Insurance Process, "You and the other user have 30 days to resolve the transaction via the Fraud Reporting System."</p> <p>Exhibit E - FIG. 26 of Application as-filled (includes dates extracted from a screen shot of the reduction to practice)</p> <p>Exhibit F - Code from eBay's Fraud Reporting System, specifically a section related to the first party and the second party viewing and entering comments.</p> <p>Exhibit B - FAQ regarding how to file a claim</p> <p>Exhibit C - Insurance Process</p> <p>Exhibit B - FAQ regarding how to file a claim</p> <p>Exhibit C - Insurance Process</p>

Claim Chart illustrating Reduction to Practice		
Claim #	Elements	Evidence showing Reduction to Practice
33	A network-based marketplace facility, the network-based marketplace facility comprising: a network-based marketplace for facilitating a transaction between a first party and a second party; a complaint module, said complaint module receiving a complaint relating to the network-based transaction and communicating information about the complaint to the second party;	Exhibit G - Discussing www.ebay.com in the background section. Exhibit G - Discussing www.ebay.com in the background section.
	a messaging board module, said messaging board module allowing the first party and the second party to repeatedly view and enter comments about the complaint relating to the network-based transaction;	Exhibit A - Fraud Reporting and Insurance Claim Form is submitted and sent to the second party. Exhibit B - FAQ regarding how to file a claim - How do I file a claim? Exhibit D - E-mail chain from actual customer who had trouble with the Fraud Reporting System. Exhibit B - FAQ regarding how to file a claim - "30 days to resolve complaint with the other user." Exhibit C - Insurance Process, "You and the other user have 30 days to resolve the transaction via the Fraud Reporting System." Exhibit E - FIG 26 of Application as-filled (includes dates extracted from a screen shot of the reduction to practice) Exhibit F - Code from eBay's Fraud Reporting System, specifically a section related to the first party and the second party viewing and entering comments.
	a resolution module, said resolution module allowing the first party to specify if the complaint is resolved and allowing the first party to file an insurance claim concerning the complaint only if the complaint is not resolved and after a first criteria have been met.	Exhibit B - FAQ regarding how to file a claim Exhibit C - Insurance Process

Claim Chart illustrating Reduction to Practice		
Claim #	Elements	Evidence showing Reduction to Practice
47 (Previously Presented)	A computer-readable medium, said computer-readable medium comprising a set of computer instructions for:	
receiving a complaint from a first party, the complaint relating to a network-based transaction between a first party and a second party;		Exhibit A - Fraud Reporting and Insurance Claim Form is submitted and sent to the second party. Exhibit D - E-mail chain from actual customer who had trouble with the Fraud Reporting System.
communicating information about the complaint to the second party;		Exhibit A - Fraud Reporting and Insurance Claim Form is submitted and sent to the second party. Exhibit B - FAQ regarding how to file a claim - How do I file a claim?
allowing the first party and the second party to repeatedly view and enter comments about the complaint relating to the network-based transaction on a messaging board;		Exhibit B - FAQ regarding how to file a claim - "30 days to resolve complaint with the other user." Exhibit C - Insurance Process, "You and the other user have 30 days to resolve the transaction via the Fraud Reporting System." Exhibit E - FIG. 26 of Application as-filled (includes dates extracted from a screen shot of the reduction to practice) Exhibit F - Code from eBay's Fraud Reporting System, specifically a section related to the first party and the second party viewing and entering comments.
allowing the first party to specify if the complaint is resolved; and		Exhibit B - FAQ regarding how to file a claim Exhibit C - Insurance Process
allowing the first party to file an insurance claim concerning the complaint relating to the network-based transaction only if the complaint is not resolved and after a first criteria have been met..		Exhibit B - FAQ regarding how to file a claim Exhibit C - Insurance Process